



#### OPTION 2:

### Acquisition Of Land For Municipally Developed Housing

- A municipality must apply to the Balanced Housing Program for all costs associated with the acquisition and/or construction of affordable housing that will be developed and owned or sold by the municipality or agent of the municipality, such as a Local Redevelopment Agency or Local Housing Authority.
- The municipality will be subject to all Balanced Housing Regulations.
- If the municipality has funds within a COAH or Superior Court approved Development Fee account, the municipality must provide a portion of the acquisition costs.

For more information about the **Municipal Acquisition and Construction Program**, please contact DCA's Balanced Housing Program at 609-633-6258.

DCA's Division of Housing is committed to building neighborhoods, working with nonprofit organizations, municipalities, private developers and the NJ Housing and Mortgage Finance Agency (HMFA). The Division administers grant and loan programs that facilitate the production of affordable housing for low and moderate income households, support redevelopment projects, and promote economic and community development.



Richard J. Codey  
*Acting Governor*

For more information about the  
**Municipal Acquisition and Construction Program**,  
please contact:

**NJ Department of Community Affairs**  
**Division of Housing**  
**Balanced Housing Program**  
**Phone: 609-633-6258**  
**<http://www.nj.gov/dca/dh/>**



# The Municipal Acquisition & Construction Program



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*Acting Governor*

## What is the Municipal Acquisition and Construction Program (MAC)?

The **MAC Program** is designed to help you meet the affordable housing goals established in your COAH plan. If you are looking for innovative ways to build quality, affordable housing for families and individuals in your community, the MAC Program can help you turn your ideas into a reality.

Through financial and technical assistance, the program helps you secure land and/or property, cover most of your project costs, and create a project that fits your town's vision. The MAC Program facilitates your efforts to cultivate and seal partnerships with your local government affiliates, non-profit and for profit real estate developers to construct and manage affordable housing in your community.

Even if you are currently in the concept stage, contact us to find out how you might be able to take advantage of this innovative new program.

### Eligible municipalities include:

- Municipalities with a current certified Housing Element and Fair Share Plan pursuant to rules promulgated by COAH.
- Municipalities with a current Judgment of Compliance issued by the Superior Court.
- Municipalities must provide matching funds or in-kind contributions. Municipal development fees collected consistent with NJAC 5:94-6 are an eligible contribution.
- The proposed development must be included in the Municipal Fair Share Plan.
- Urban Aid Municipalities must have a current COAH-certified Housing Element and Share Plan.
- Municipalities must be in compliance with all reporting requirements to COAH or the Superior Court.

### What is the process?

A municipality must submit an application for funding to the Department of Community Affairs (DCA) under the System for Adminstrating Grants Electronically (SAGE). If the application satisfies the program criteria, the municipality will receive a Grant Agreement for the amount approved. Funds will be provided to the municipality as a Grant with Conditions.

### Conditions include:

- DCA will restrict land at the time of purchase as Affordable Housing Only, using Uniform Housing Affordability Control documents.
- A municipality will select a developer for the site within 24 months of the grant award.
- If the project is to produce rental housing, the municipality will enter into a 99-year lease with the developer for \$1 per year.
- If the project is to produce for-sale housing, the municipality will sell the property to the developer for \$1.
- The municipality will repay DCA from municipal matching funds, which may include development fees or payment in lieu fees.

### What can the funds be used for?

The funds are flexible and can be used for all expenses incurred in acquiring property for affordable housing including, but not limited to:

- Property acquisition and limited infrastructure.
- Legal and professional costs such as appraisals, surveys, engineering and closing costs.
- The cost to subsidize the creation of affordable housing, if the municipality is the developer and/or owner of the affordable housing being created.

## About the Municipal Acquisition Program

An eligible municipality may request funding for one of two options for the Municipal Acquisition Program: acquisition of land for municipally assisted housing and acquisition of land for municipally developed housing.

### OPTION I:

#### Acquisition of Land for Municipally Assisted Housing

- A municipality must apply to DCA's Balanced Housing Program for the cost to acquire privately held, vacant land to be used for affordable housing.
- The maximum amount granted will be the lesser of the sales price or the appraised value plus additional documented pre-development costs.
- If title to the property has been transferred within the 24 months preceding the municipal application to the Balanced Housing Program, the maximum grant will be the lesser of the previous transfer price or the appraised value plus additional documented pre-development costs.
- The seller must provide the municipality with proof that the property is free from any adverse environmental conditions.
- The municipality will select a developer to build the affordable housing units within 24 months of the date of the Grant Agreement.
- Upon designation by the municipality, the developer may apply to the Balanced Housing Program for subsidy to develop the project.
- Developer is subject to all Balanced Housing Regulations.
- If the municipality has funds in a COAH or Superior Court approved Development Fee account, the municipality must contribute to an agreed upon portion of the acquisition cost.